29 June 1954

MEMORANDUM FOR DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: National Indications Center, Funds and Establishment

1. During the IAC meeting of 15 June 1954, Major General Willems advised the Committee that the activation of the National Indications Center, as authorized in DCID 1/2, might be delayed beyond the 1 July target because of funding problems. In response to these remarks, the DCI requested Gen. Willems to prepare an estimate of the non-departmental costs involved in implementing the Terms of Reference of the IAC Watch Committee.

2. Subsequently a subcommittee of the _ad hoc_ IAC Committee (Watch) prepared a report which concluded:

   a. It is beyond the competence of the members to estimate costs incident to constructing the NIC without guidance as to probable locale of the facility within the Pentagon. (This guidance has not been available.)

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   c. Approximately two-thirds of the estimated gross cost will not involve cash outlays, as the furnishings and equipment are routinely carried as office equipment and are thus available for issue without monetary disbursements.

   d. Since the JCS have undertaken to question the IAC approved Table of Organization and floor plans of the NIC, it appears that the NIC cannot be activated by 1 July 1954, and probably not much before the end of the first quarter of FY 1955. This action and the relative smallness of the Net Cost removes the necessity for making special funding arrangements.

3. Upon presenting these conclusions to Gen. Willems, it was requested that they be relayed to the DCI in advance of the IAC meeting scheduled for 29 June 1954.

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4. Although the Watch Committee may not be reconstituted by 1 July 1954, as stated in IAC memorandum of 24 May, the NIC will be established as of 1 July occupying [   ] building as a temporary headquarters until space allocation is made in the Pentagon or, if necessary, elsewhere.

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5. Air Force and Navy representatives to the NIC are expected to begin full time participation during the first week in July.

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